

# EXHIBIT AA

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION

ADVANCEME, INC.,

Plaintiff,

Case 6:05-cv-00424-LED

-vs-

Civil Action  
No. 6:05CV424

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RAPIDPAY, LLC, BUSINESS  
CAPITAL CORPORATION, FIRST  
FUNDS, LLC, MERCHANT MONEY  
TREE, INC., REACH FINANCIAL,  
LLC, and FAST TRANSACT, INC.  
d/b/a SIMPLE CASH,

Defendants.

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ADVANCEME, INC.,

Plaintiff,

-vs-

AMERIMERCHANT, LLC

Defendant.

Civil Action  
No. 6:06CV082

Videotaped deposition of EDWARD W. LANDON  
taken before TRACY L. BLASZAK, CSR, CRR, and Notary  
Public, pursuant to the Federal Rules of Civil Procedure  
for the United States District Courts pertaining to the  
taking of depositions, at Hyatt Regency Chicago, 151  
East Wacker Drive, in the City of Chicago, Cook County,  
Illinois at 9:31 a.m. on the 14th day of February, A.D.,  
2007.

1 A Not to my knowledge.

2 Q When you solicited merchants, restaurants for  
3 these cash advances, would you explain to them how the  
4 cash advance would be repaid to Clever Ideas?

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5 A Yes.

6 Q Did you ever attend restaurant shows such as  
7 some sort of trade association meetings?

8 A Personally, I did not.

9 Q Did any representatives from Clever Ideas?

10 A I'm sure our salespeople did. Are you referring  
11 to between '92 and '96?

12 Q Right.

13 A Yes, I'm sure our salespeople did.

14 Q Would they discuss with people at those  
15 restaurant shows the LeCARD program?

16 A Any time they would see a restaurateur, they  
17 would talk about the LeCARD program.

18 Q Would they explain that Diners Club was repaying  
19 the cash advance directly to Diners Club -- I mean, to  
20 Clever Ideas?

21 A Yes.

22 Q If you look at page LC\_00003 in Exhibit 3.

23 A Yes.

24 Q Have you seen this document before?

1 A I have.

2 Q Could you explain to me what this document is?

3 A This would be the statement -- I believe maybe  
4 the last page of a statement from Diners Club to the  
5 [Case 6:05-cv-00424-LED](#) [Document 255](#) [Filed 05/09/2007](#) [Page 4 of 8](#)  
6 Chicago Chop House for transactions on or about April  
29th of 1992.

7 Q If you look under where I believe it would say  
8 establishment statement, it's cut off on the left side.

9 A Yes.

10 Q The third column over, it says, your discount  
11 rate 3.500.

12 A Yes.

13 Q What does that mean?

14 A That would be the discount rate that Diners Club  
15 was charging the Chicago Chop House for Diners Club  
16 transactions -- for settling Diners Club transactions at  
17 the Chicago Chop House.

18 Q So the Chicago Chop House would pay 3 1/2  
19 percent per transaction to Diners Club for processing?

20 A 3 1/2 percent of each dollar of transactions  
21 processed through the Chicago Chop House, yes.

22 Q Okay. And is this letter the example that's  
23 referred to on page 1 of Exhibit 3, it says -- of the --  
24 you know, the middle paragraph, it says, "Of the \$600

1 total, \$500 were regular Diners Club transactions which  
2 were paid in the normal manner"?

3 A Yes.

4 Q So this page 3 reflects being paid in the normal  
5 [Case 6:05-cv-00424-LED](#) [Document 255](#) [Filed 05/09/2007](#) [Page 5 of 8](#)  
6 manner, the Diners Club cards being paid in the normal  
7 manner?

8 A For the non-LeCARD transactions, correct.

9 Q Okay. Now, if you look at page 4 of Exhibit 3,  
10 have you seen this document before?

11 A I have.

12 Q What does this document represent?

13 A This would be the explanation letter. I don't  
14 remember what we called it in our -- letter of change is  
15 what we refer to it in our marketing piece that  
16 reconciles for the restaurant what happened to the \$600  
17 in total Diners Club transactions that they processed on  
18 April 17th.

19 Q The second paragraph of page 4 in Exhibit 3  
20 says, "This summary included credits/charges which could  
21 not be processed."

22 Does that mean that Diners Club did not process  
23 these LeCARD transactions?

24 A No, they processed the LeCARD transactions.  
Understand that this letter would also be sent if there

1 was some other issue that occurred with a card such as  
2 if the card was declined, they didn't get a proper  
3 authorization, the same letter would be sent.

4 So you need to read the letter also in  
5 [Case 6:05-cv-00424-LED](#) [Document 255](#) [Filed 05/09/2007](#) [Page 6 of 8](#)  
6 conjunction with the reason number. This particular  
7 letter, this particular example gives you the reason 22,  
8 which is saying to the restaurant there were \$600 in  
9 charges. We've paid you for \$500 less your  
10 corresponding discount fee. The remaining \$100 in  
11 charges was a LeCARD card transaction which has been  
12 sent to, processed to Clever Ideas. And we will settle  
13 or reconcile with the restaurant for that \$100 charge.

14 Does that answer the question?

15 Q I believe it does.

16 A Okay.

17 Q So just to make sure I'm clear, this letter is  
18 not saying that Clever Ideas would process these  
19 transactions?

20 A No.

21 Q If you turn to page 5 of Exhibit 3.

22 A Yes.

23 Q It appears to be a statement of Chicago Chop  
24 House.

Have you seen this document before?

1 STATE OF ILLINOIS )

) ss:

2 COUNTY OF COOK )

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4 The within and foregoing deposition of the  
5 aforementioned witness was taken before TRACY L.  
6 BLASZAK, CSR, CRR, and Notary Public, at the place, date  
7 and time aforementioned.

8 There were present during the taking of the  
9 deposition the previously named counsel.

10 The said witness was first duly sworn and was  
11 then examined upon oral interrogatories; the questions  
12 and answers were taken down in shorthand by the  
13 undersigned, acting as stenographer and Notary Public;  
14 and the within and foregoing is a true, accurate and  
15 complete record of all of the questions asked of and  
16 answers made by the aforementioned witness, at the time  
17 and place hereinabove referred to.

18 The signature of the witness was not waived,  
19 and the deposition was submitted, pursuant to  
20 Rules 30(e) and 32(d) of the Rules of Civil Procedure  
21 for the United States District Court, to the deponent  
22 per copy of the attached letter.

23 The undersigned is not interested in the within  
24 case, nor of kin or counsel to any of the parties.

1                   Witness my official signature and seal as  
2   Notary Public in and for Cook County, Illinois, on this  
3   2/8 day of February, A.D. 2007.

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7  
8                   Tracy L. Blaszk  
9   TRACY L. BLASZAK, CSR, CRR  
10   Illinois CSR No. 084-002978

